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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

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NEWLANDS ASSET HOLDING TRUST,

Plaintiff,

v.

SFR INVESTMENTS POOL 1, LLC; and
STONEFIELD HOMEOWNERS
ASSOCIATION,

Defendants.

Case No. 3:17-cv-00370-LRH-WGC

ORDER

Two motions come before the court. First, defendant SFR Investments Pool 1, LLC moves this court to dismiss plaintiff Newlands Asset Holding Trust’s complaint. ECF No. 16. Defendant Stonefield Homeowners’ Association (the “HOA”) joined SFR Investments’ motion. ECF No. 17. Newlands opposed the motion, and SFR Investments replied. ECF Nos. 20, 21. Second, Newlands moves to substitute nonparty Carisbrook Asset Holding Trust into this action as the plaintiff in the place and stead of Newlands, or Carisbrook moves to intervene in the alternative. ECF No. 19. SFR Investments does not oppose the motion, and no reply was filed. ECF No. 22.

The court first grants the motion to substitute Carisbrook into the action in the place and stead of Newlands. The court finds that Newlands transferred its interest relevant to this matter to Carisbrook after bringing suit, making substitution of the parties proper. The court then denies the motion to dismiss, finding the applicable statute of limitations does not bar this suit.

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1 **I. BACKGROUND**

2 In 2009, Damian Webber purchased the property located at 7752 Corso Street, Reno,
3 Nevada 89506. ECF No. 1 at 1–2. Webber executed a deed of trust, which identified Bank of
4 America, N.A. as the lender and beneficiary and identified PRLAP, Inc. as the trustee. *Id.* at 2;
5 *id.* at Ex. 2. After multiple assignments, Newlands came to hold the beneficial interests under the
6 deed of trust. *Id.* at 3; *id.* at Exs. 3–7.

7 After recording a notice of delinquent assessment lien, a notice of default and election to
8 sell, and a notice of homeowners’ association sale, the HOA held a nonjudicial foreclosure sale
9 on July 24, 2012. *Id.* at 3–4; *see id.* at Exs. 8–11. The HOA then recorded a quitclaim deed in
10 2014, giving rise to SFR Investments’ interest in the property. *Id.* at 4; *id.* at Ex. 12.

11 Newlands sued the HOA and SFR Investments on June 13, 2017, essentially seeking an
12 order to quiet title over the property.¹ *Id.* After initiating this suit, Newlands assigned its interest
13 under the deed of trust to Carisbrook Asset Holding Trust. ECF No. 16, Ex. A.

14 Two motions now come before the court. First, SFR Investments moves to dismiss the
15 complaint, and the HOA joins in the motion. ECF Nos. 16, 17. Second, Newlands moves to
16 substitute Carisbrook Asset Holding Trust into this action in the place and stead of Newlands.
17 ECF No. 19. SFR does not oppose the motion. ECF No. 22. The HOA did not respond, and no
18 reply was filed.

19 **II. LEGAL STANDARD**

20 **A. Federal Rule of Civil Procedure 25**

21 Federal Rule of Civil Procedure 25(c) allows for the substitution of a party in an action if
22 an interest has been transferred to another. Fed. R. Civ. P. 25(c). The rule also permits an action
23 to proceed “by or against the original party.” *Id.* A motion brought under Rule 25 is decided
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¹ Newlands asserts the following five claims: (1) quiet title and declaratory relief under 28 U.S.C. § 2201, N.R.S.
27 § 30.010 *et seq.*, and N.R.S. § 40.010 *et seq.*; (2) declaratory relief under the Fifth and Fourteenth Amendment of the
28 U.S. Constitution; (3) quiet title under the Fifth and Fourteenth Amendment of the U.S. Constitution; (4) permanent
 and preliminary injunction; and (5) unjust enrichment. ECF No. 1. Newlands asserts each claim against all
 defendants except for claim four, which Newlands asserts only against SFR Investments. ECF No. 1.

1 under the court’s discretion. *Sun-Maid Raisin Grow. of Cal. V. Cal. Pack. Corp.*, 273 F.2d, 282,
2 284 (9th Cir. 1959); *McComb v. Row River Lumber Co.*, 177 F.2d 129, 130 (9th Cir. 1949).

3 **B. Federal Rule of Civil Procedure 12(b)(6)**

4 Federal Rule of Civil Procedure 8(a)(2) requires a pleading to contain a “short and plain
5 statement of the claim showing that the pleader is entitled to relief.” Fed. R. Civ. P. 8(a)(2). A
6 court may dismiss a complaint that fails to meet this standard under Rule 12(b)(6). Fed. R. Civ.
7 P. 12(b)(6). Rule 12(b)(6) permits dismissal on the basis of either (1) the “lack of a cognizable
8 legal theory,” or (2) “the absence of sufficient facts alleged under a cognizable legal theory.”
9 *Balistreri v. Pacifica Police Dep’t*, 901 F.2d 696, 699 (9th Cir. 1990).

10 In considering whether the complaint is sufficient to state a claim, the court accepts as
11 true all factual allegations contained in the complaint. *Ashcroft v. Iqbal*, 556 U.S. 662, 678
12 (2009). However, a court need not “accept as true allegations that contradict matters properly
13 subject to judicial notice or by exhibit” or “allegations that are merely conclusory, unwarranted
14 deductions of fact, or unreasonable inferences.” *In re Gilead Scis. Sec. Litig.*, 536 F.3d 1049,
15 1055 (9th Cir. 2008) (internal quotations omitted). While a complaint need not allege detailed
16 factual allegations, it “must contain sufficient factual matter, accepted as true, to ‘state a claim to
17 relief that is plausible on its face.’” *Iqbal*, 556 U.S. at 678 (quoting *Bell Atl. Corp. v. Twombly*,
18 550 U.S. 544, 570 (2007)). A claim is facially plausible when it “allows the court to draw the
19 reasonable inference that the defendant is liable for the misconduct alleged.” *Id.*

20 Further, motions to dismiss filed after an answer are treated as a motion for judgment on
21 the pleadings under Rule 12(c). *Aldabe v. Aldabe*, 616 F.2d 1089, 1093 (9th Cir. 1980). A court
22 must still treat all allegations in the complaint as true under Rule 12(c) and must treat
23 contradicting allegation in the answer as false. *Elvig v. Calvin Presbyterian Church*, 375 F.3d
24 951, 955 (9th Cir. 2004).

25 **III. DISCUSSION**

26 The court first addresses the motion to substitute a party and then resolves the motion to
27 dismiss.

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1 property. As a result, Newlands could assert a quiet-title claim under N.R.S. § 40.010 against any
2 other person claiming an interest adverse to Newlands' interest. The court therefore construes
3 Newlands' claims as quiet-title claims rather than wrongful-foreclosure claims.

4 Newlands timely filed its quiet-title claims. In Nevada, the applicable statute of
5 limitations imposes a five-year time-bar for quiet-title claims. Nev. Rev. Stat. § 11.070; *Weeping*
6 *Hollow Ave. Tr. v. Spencer*, 831 F.3d 1110, 1114 (9th Cir. 2016) (citing N.R.S. § 11.070 as the
7 governing statute of limitations in Nevada for quiet-title claims); *Saticoy Bay LLC Series 2021*
8 *Gray Eagle Way v. JPMorgan Chase Bank, N.A.*, 388 P.3d 226, 232 (Nev. 2017) (stating quiet-
9 title claims are governed by a five-year statute of limitations). Here, the foreclosure sale took
10 place on July 24, 2012, and Newlands sued to quiet title on June 13, 2017. Newlands therefore
11 initiated this matter within the five-year statute of limitations. The court denies the motion to
12 dismiss accordingly.


13 **IV. CONCLUSION**

14 IT IS THEREFORE ORDERED that plaintiff Newlands Asset Holding Trust's motion to
15 substitute, or, in the alternative, motion to intervene (ECF No. 19) is **GRANTED**. The court
16 instructs the clerk of the court to substitute Carisbrook Asset Holding Trust into this action as the
17 plaintiff in the place and stead of Newlands Asset Holding Trust.

18 IT IS FURTHER ORDERED that defendants SFR Investments Pool 1, LLC and
19 Stonefield Homeowners' Association's motion to dismiss (ECF No. 16) is **DENIED**.

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21 IT IS SO ORDERED.

22 DATED this 17th day of November, 2017.

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25 LARRY R. HICKS
26 UNITED STATES DISTRICT JUDGE
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